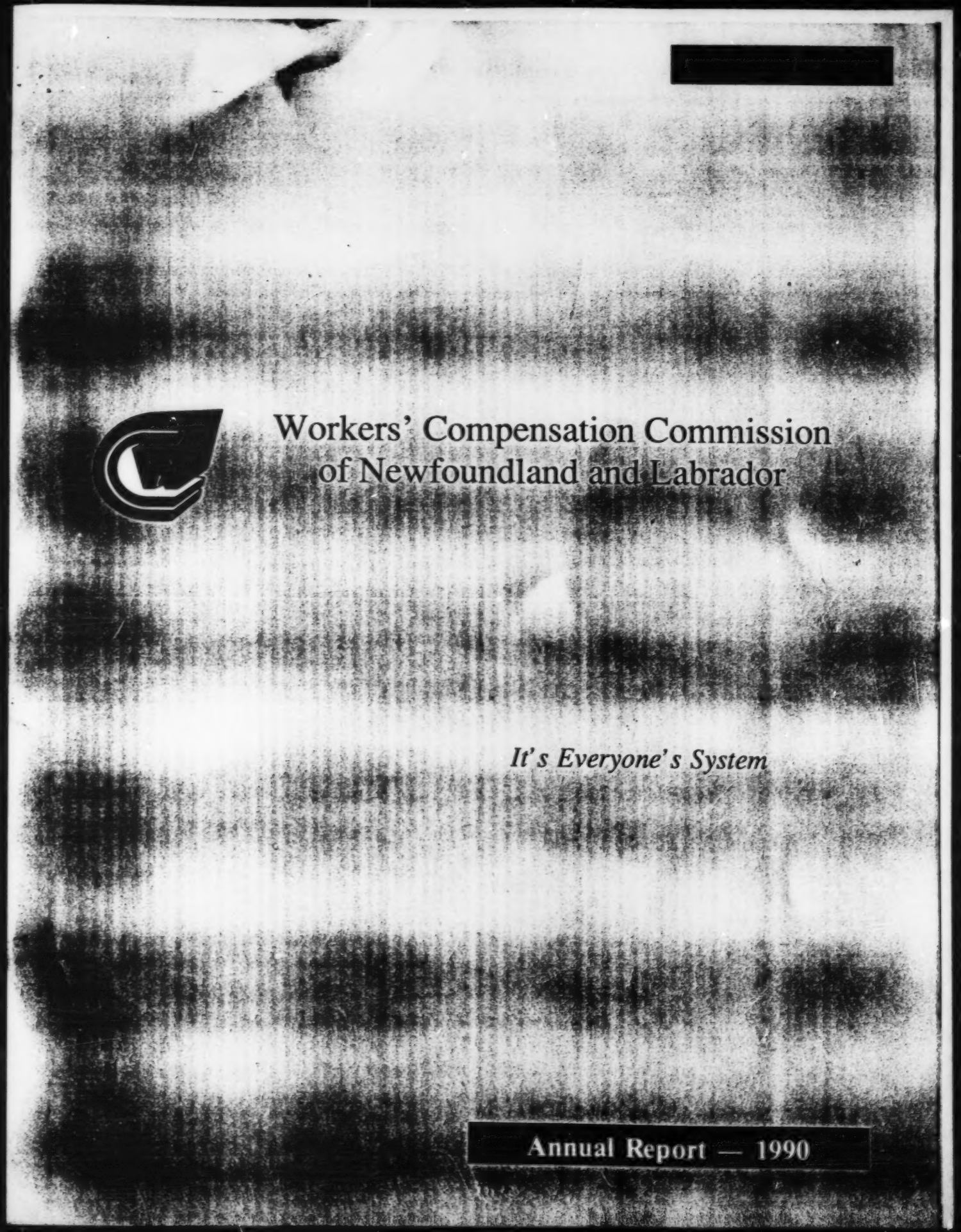


Workers' Compensation Commission of Newfoundland and Labrador

It's Everyone's System

Annual Report — 1990

91-05565/

1990 - Activity at a Glance

New Claims Reported	19,905
Claims Accepted	19,286
Temporary Earnings Loss Claims	10,404
Medical Aid Only Claims	8,858
Fatalities	24
Cost of Temporary Earnings Loss for 1990 injuries	$34.0 million
Cost of Medial Aid for 1990 injuries	$14.2 million
Cost of Rehabilitation in 1990	$5.8 million
Cost of Extended Earnings Loss for 1990 injuries	$6.8 million
Number of Registered Employers	12,100
Employers' Assessments	$79 Million
Internal Reviews Conducted	395

Contents

Letter of Transmittal	1
Overview	
Introduction	2
Report by Chairperson	3
Board of Directors	5
Report of Chief Executive Officer	6
Compensation Services	
Claims	8
Medical	9
Rehabilitation	10
Support Services	
Information Systems	11
Administration	11
Internal Reviews/Appeals	13
Financial Services	14
Financial Statements	16
Statistics/Charts	30

Letter of Transmittal

WORKERS' COMPENSATION COMMISSION OF NEWFOUNDLAND AND LABRADOR
146-148 FOREST ROAD, P.O. BOX 9000. STN. "B". ST. JOHN'S, NFLD., CANADA A1A 3B8
Telephone (709) 778-1000 Fax (709) 738-1714

BOARD OF DIRECTORS

PENELOPE M. ROWE
Chairperson

March 28,1991

The Honourable Patricia Cowan
Minister of Employment and Labour Relations
Second Floor, West Block
Confederation Building
P.O. Box 8700
St. John's, NF
A1C 4J6

Dear Minister:

In compliance with Section 12(1) of the Workers' Compensation Act 1983, I am pleased to submit the Annual Report of the Workers' Compensation Commission of Newfoundland and Labrador for the year ending December 31, 1990.

The Report presents information on the Commission's transactions for the 1990 calendar year including the range of services provided, the number of people who benefited and audited financial statements. The audited statements incorporate actuarial estimates of liabilities for outstanding claims including estimated costs for future indexing of benefits in line with increases in the Industrial Aggregate Wage Index.

I commend the Report for your review.

Respectfully submitted,

Penelope M. Rowe
Chairperson
On behalf of the Board of Directors

INTRODUCTION

The Workers' Compensation Act 1983 governs the operation of a no-fault work injury insurance program for workers and employers that is financed entirely by industry. It is the mandate of the Commission to administer the Workers' Compensation Act.

The 1990 Annual Report of the Workers' Compensation Commission (WCC) outlines the activity of the Commission for the year ending December 31, 1990. It is not intended to be a detailed explanation of the programs and services being offered by the Commission, but a review of the program utilization and costs for the year. The Annual Report compares the activity and spending in 1990 with the activity and spending from previous years to show readers how this year measures up.

At WCC we think everyone has a stake in the system because everyone pays for it indirectly. If the number and cost of injuries increases from year to year, the assessments employers have to pay increase, this means the cost of operating a business in the Province goes up and the cost of goods and services rise. The bottom line is that everyone is eventually affected by an increase in the cost of compensation.

With this in mind, we encourage everyone in the Province to take an active role in reducing these costs. Workers can help by promoting safety on the job and notifying their employer or Occupational Health & Safety, at the Department of Employment and Labour Relations, when safety standards are not met. Physicans can help by continuing to provide prompt service to injured workers. Employers can help by keeping in touch with injured workers and the Commission to ensure workers aren't lost in the system. The public can also help by contacting the Commission if they have any concerns about the system.

If you would like more detailed information about the Commission please contact the Director of Communications at 778-1223.

REPORT BY CHAIRPERSON

A new wage loss system of workers' compensation came into effect in Newfoundland in 1984 designed to provide a worker injured on the job with income replacement in line with his or her pre injury earnings. As part of the wage loss system new benefit programs such as extended earnings loss and a range of rehabilitation programs have been introduced. These programs have continued to evolve as client needs have been identified and new approaches to rehabilitation have been implemented. At the time these legislative changes were enacted the full ramifications of the new system were unknown.

A major review of the financial status of the Workers' Compensation Commission was initiated in 1990 because of the increasing cost of delivering benefits and because of a dramatic increase in the unfunded liability of the Commission. The increase was recorded at the end of the 1989 fiscal year when the Commission received its first actuarial study of the new wage loss system which indicated that the unfunded liability was considerably higher than reported in previous audited statements.

In fact, the $13 million unfunded liability reported in the Commission's statement in 1984 had not been increased until 1989 when the unfunded liability was recorded at $35 million.

The resulting decline in the funding position and escalating program costs caused considerable concern for the Board of Directors and Executive particularly because past accounting policies had not included the cost of indexation of benefits in the audited statements. The Board therefore decided to carry out a thorough examination of liability, expenditures and revenue issues. An actuarial consultant was contracted to conduct the study and an analysis of the factors contributing to the escalating cost was requested to provide the basis of a new financial strategy for the Commission. The analysis was particularly important because the average assessment rate for employers in Newfoundland is among the highest in Canada, and could not be increased significantly to meet rising costs.

The first step in the analysis was a revised valuation of liabilities as of January 1, 1990 based on a range of actuarial assumptions and taking into account indexation of benefits on an annual basis in line with increases in the Industrial Aggregate Wage Index. The result was another large increase in the Commission's recorded liabilities at the end of 1990. The unfunded portion of the liability at the end of 1990 as recorded in this annual report is $112,759,398. This figure is not a statement of a current account deficit but represents the additional funds required to pay the future costs of injuries which have occurred to date assuming annual indexation in line with increases in the average industrial wage. Nonetheless, the figure is startling and is a matter which requires immediate remedial action. The Board of Directors intends to release its recommended strategy for amortizing the unfunded liability and for addressing the increasing ongoing costs in April.

The cost of administering the system is directly related to the frequency and nature of workplace injuries; to the magnitude and level of benefits provided for injured workers, and to the length of time injured workers or their dependents are drawing benefits. Costs are also influenced by the broadening definition of injury and increasing knowledge about the causes of industrial disease which are compensable.

Chairperson
Board of Directors
Penelope M. Rowe

Commission statistics show that while the number of reported injuries was actually less in 1990 than in 1989 the actual number of injuries which were accepted by the Commission increased marginally. Especially troubling is the increasing average length of claims. Records show, for example, that the average duration per claim for temporary earnings loss for current year injuries increased by 21.5% (from 5.06 to 6.15 weeks) in 1990 compared with 1989. Similarly temporary earnings loss claims for prior years' injuries increased by 14.1% (from 17.39 weeks to 19.85 weeks). Clearly, the duration of claims will have to be reduced if unnecessary costs to the system are to be controlled.

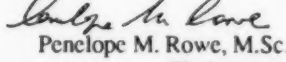
Approximately 90% of the cost of workers' compensation in Newfoundland is benefit and program expenditures. The delivery of services and programs must therefore be quick, efficient and well matched to a claimant's needs. Claims adjudicators and rehabilitation counsellors carry high case loads in Newfoundland in comparison to those in other jurisdictions which may account for some delays in the system. The objective of the Commission is to get injured workers back to optimal medical recovery and back to work as quickly as possible – the longer an injured worker is away from the workplace the less likely he or she will be able to return to work.

The Board intends to undertake an organizational structure review in 1991 to ascertain what approaches may be adopted to ensure the expeditious delivery of compensation services. It may be that the Commission's administration costs should be increased in an effort to reduce unnecessary program expenditures.

As a no fault insurance program workers' compensation must attempt to fairly balance the needs of both employers and employees. Employers who bear the full cost of the system are protected from legal action by the injured worker and in return workers receive financial rehabilitative support in the event of a workplace injury. It is to this end that the Workers' Compensation Commission of Newfoundland and Labrador must continuously strive to deliver a full range of services to claimants in the most efficient manner possible. It is also to this end that accident prevention and occupational health and safety must be aggressively pursued.

The Board of Directors is responsible for the administration of the Workers' Compensation Act and for establishing fair and reasonable policies and programs in compliance with the Act. To meet this responsibility the Board must periodically review the total system to ensure that it is self-sustaining and to ensure that future generations will not have to carry an undue burden for past injuries. The audited statements presented in this annual report indicate that the real costs of the system have been far greater than the revenue generated and reserves established to meet future payments. The imbalance in the system has also been much greater than previously recorded. Putting the Commission back in balance will take time and will not be easy, but, we believe, that the thorough analysis of the Commission's financial position which was undertaken in 1990 was the necessary first step.

The last year has required tremendous effort on the part of staff and the Board. I thank them for their dedication and commitment.



Penelope M. Rowe, M.Sc.
Chairperson

BOARD OF DIRECTORS

Standing Left to Right
Darrel Brenton, Genevieve Mullins, Earl McCurdy, Dan Whelan, Harry Andrews, Bruce Chapman

Seated Left to Right
Dr. Catherine Penney, Penelope M. Rowe, William Kennedy

Missing from Photo
Dr. John Bessell, Robert Moore

Chairperson
Penelope M. Rowe, Appointed September 1989

Vice Chairperson
Dr. Catherine Penney, Appointed February 1987

Employer Representatives
Bruce Chapman, Fisheries Association of Newfoundland & Labrador, Appointed February 1987

William Kennedy, Newfoundland and Labrador Employers' Council, Appointed November 1990

Dr. John Bessell, Medical Practitioner, Appointed August 1989

Labour Representatives
Earle McCurdy, Fishermen, Food and Allied Workers Union, Appointed February 1987

Dan Whelan, Appointed February 1987

Darrel Brenton, United Steel Workers of America, Appointed March 1990

Public Representatives
Robert Moore, Appointed August 1989

Harry Andrews, Appointed August 1989

Genevieve Mullins, Appointed August 1989

Ex-Officio
D. Wayne Mitchell, Chief Executive Officer

Gordon Seabright, Chairperson of the Workers' Compensation Appeal Tribunal, Appointed March 1989

Corporate Secretary
Max Bursey

REPORT OF CHIEF EXECUTIVE OFFICER

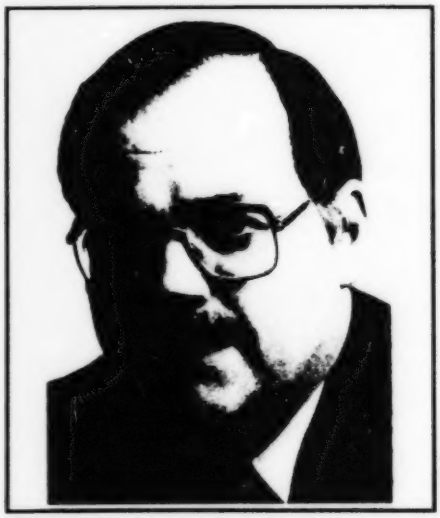
The year 1990 was a very active period for the Workers' Compensation Commission. When the new Board of Directors took over in 1989 they inherited four Workers' Compensation Appeal Tribunal decisions which needed to be reviewed. Section 21.7 of the Act allows the Board to review WCAT decisions as may be referred by the Tribunal or which are in the opinion of the Commission inconsistent with established policy or the intent of the Act. The Board put considerable effort into resolving these four cases. The position of the Board in these cases was referred to WCAT for their consideration on December 14 and 15, 1989, January 17, 1990 and November 15, 1990.

A second outstanding matter that required attention in the early part of 1990 was the reassessment of the 1986 Statutory Review Committee Report and the submission to Government of the Commission's position on the 122 recommendations made. In February, 1990 the Board of Directors forwarded a consolidated response to Government. This was updated in October indicating that: 86 of the recommendations have been implemented or are being acted upon by the Commission; 25 recommendations require Government action to implement; 5 recommendations require further study by the Commission and 6 recommendations are not supported by the Commission.

The single most important initiative targeted for 1990 was the development of a financial strategy for the Workers' Compensation Commission. The need for a strategy became apparent when the new Board started setting assessment rates for 1990. It was accentuated with the Actuary's report early in 1990 that rehabilitation and extended earnings loss reserves were insufficient and therefore the funding position was worse than projected when 1990 rates were set by the new Board.

The firm of Eastern Canada Consulting Services Ltd - Sobeco was contracted in August, 1990 to work with the Board of Directors in preparing a financial strategy that included: an estimate of the future funding position facing the Commission; the articulation of a new funding policy; the design of a new rate setting process; an examination of the rate classification structure; an assessment of the application of experience rating; and a review of legislative and program changes that could impact on Commission expenditures specifically involving rehabilitation and annuities. The results of this effort will be available early in 1991 and the target date for implementation of any changes is 1992.

The Commission fulfilled a commitment to employers by setting assessment rates earlier in the year. Assessment rates for 1991 were announced during the first week of October 1990. Rates for 1991 were set taking the financial strategy exercise into account and the possibility that significant changes could be introduced in rate setting for 1992. Accordingly, in an effort to minimize year to year distortions in the rate setting approach applied by the Commission, 82 of the 84 rate groups were given an across the board 10% increase. This is estimated to yield just enough revenue to ensure there is no further deterioration in the financial position of the Commission before the financial strategy is put in place. For the nursing home and hospital rate groups, assessment rates were increased by 100% and 50% respectively, because a disproportionate share of the total Commission accumulated deficit originates in these sectors.



Chief Executive Officer
D. Wayne Mitchell

During the course of the year, a series of fundamental issues were identified that require extensive input from stakeholders in the workers' compensation system. Accordingly, a request was made to Government for the immediate appointment of a Statutory Review Committee in advance of the 1991 time frame when it has to be established under legislation. The Minister announced the formation of a Review Committee in December with its terms of reference incorporating all of the issues identified by the Commission as requiring urgent attention.

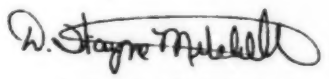
The Commission continued its efforts throughout 1990 to ensure injured workers have timely and cost effective access to health-care services. An agreement with the General Hospital Corporation was signed for the operation of a Chronic Pain Unit and a revised multi-disciplinary assessment program.

Throughout the year, an attempt was made to increase liaison with the various stakeholders. Contacts were made by the Commission with the Newfoundland and Labrador Employers' Council; the Newfoundland and Labrador Federation of Labour; the Newfoundland and Labrador Construction Association; the Newfoundland Road Builders Association; the Newfoundland Hospital and Nursing Home Association and the St. John's Board of Trade. As well, a Regional Manager was hired for Corner Brook to be in charge of the Western and Central Regional Offices and to provide more senior workers' compensation access for people in these areas of the Province. The Commission also responded to specific requests from St. Lawrence and Baie Verte to meet regarding the compensation concerns of miners and their families in these towns.

Major building renovations were carried out in 1990 at the Headquarters of the Commission in St. John's. These changes will allow for better utilization of the physical structure to accommodate staff needs over the medium term and contribute toward impoved energy efficiency as well as accessibility for the disabled.

The Workers' Compensation Commission of Newfoundland and Labrador had the privilege in August to organize and host the Annual Convention of the Association of Workers' Compensation Boards of Canada. This event brought approximately 250 delegates and companions from throughout Canada, several states in the United States and from as far away as New Zealand to St. John's. An array of panellists representing labour, employers, medical associations, appeal bodies and compensation authorities addressed delegates on their perspectives of the theme: "Workers' Compensation - Teamwork for the 1990's".

The activities of the Workers' Compensation Commission throughout 1990 were supported by a dedicated and diligent staff. The immediate task ahead is to direct the collective efforts of all staff toward continuing to provide a high quality of service.



D. Wayne Mitchell
Chief Executive Officer

There are three Departments within the Workers' Compensation Commission dedicated to client services-Claims, Rehabilitation and Medical Services.

Each Department of the Commission is independent yet working toward a common goal which is to pay just and adequate compensation and assist injured workers in their recovery and return to work. Claims, Rehabilitation and Medical Services deal directly with injured workers and have been brought together in this report under the title Compensation Services.

All injured workers must complete a report of their injury to open their file with the Claims Department. The Employer's report of the injury and the Physician's report regarding the injury are the other primary reports needed to complete the worker's file.

CLAIMS

A worker who is entitled to compensation may qualify for the following: Temporary Earnings Loss benefits, Medical Aid, Permanent Functional Impairment awards and in the case of fatalities – Dependency benefits. Extended Earnings Loss (EEL) benefits are also available to injured workers who can't return to work or can no longer earn their pre-injury wage. EEL is discussed in greater detail in the Rehabilitation section of this Annual Report.

In 1990 the total number of injuries reported was 19,905. This number is down from 1989 when 20,486 injuries were reported. Of the 19,905 workers who completed an injury report, 19,286 were accepted by the Commission, compared with 19,027 in 1989. Cash payments for 1990 Temporary Earnings Loss benefits were $16.3 million compared with $13.5 million for 1989. For injuries which occurred prior to 1990 an additional $18.7 million was paid out in Temporary Earnings Loss replacement in 1990.

Of the 19,286 claims accepted in 1990, 8,858 of those required only medical attention and Temporary Earnings Loss replacement benefits were not paid on their behalf.

Adjudicator Yvonne Meehan meets with an injured worker to discuss his claim.

There were 24 fatalities in 1990 compared with 21 in 1989.

The Claims Department was restructured in September 1990 and the changes are designed to provide a better match of staff resources with complexity of claims. The new system creates two levels of adjudication. The first level deals with primary or routine claims, while the second more experienced level deals with more complex claims. This allows for better utilization of staff, better case management and specialization in the more demanding areas of claims adjudication.

More employers contacted the Commission in 1990 than in previous years. Most of these employers were interested in finding ways to control or reduce compensation costs. Similarly, Claims Department staff had more contact with external groups in 1990. They made 24 presentations to groups of employers, unions and students. These presentations gave staff an opportunity to explain workers' compensation and the role the various groups play in making the system function effectively.

MEDICAL SERVICES

The Medical Services Department provides medical advice to the Rehabilitation and Claims Departments and rates the permanent functional impairment of injured workers. Medical Services staff also monitor the progress of injured workers and when necessary deal with any medical impediments that are preventing a full recovery.

Staff of the Medical Services Department examined 980 injured workers in 1990 and reviewed 12,726 claims. These numbers are down from 1989 when 1,234 injured workers were examined and 15,099 claims were reviewed. The decreased activity in 1990 was due to a strike by hospital workers which reduced the number of referrals, and the retirement of a physician at the Commission which left the Department short staffed for six months.

The Medical Services Department assessed 470 injured workers in 1990 to determine Permanent Functional Impairment (PFI) awards. A total of $2.4 million was paid out in PFI awards in 1990 to 507 injured workers, which includes some injured workers who were assessed in prior years, but actually paid in 1990. The $2.4 million paid in 1990 compares with $2.5 million paid out in 1989 on 502 PFI awards.

An injured worker participates in physiotherapy at the Chronic Pain Centre.

In 1990 Medical Services arranged for 797 injured workers to receive priority appointments with orthopaedic surgeons. This compares with 676 priority appointments in 1989. The Commission pays a premium for priority appointments, but the additional cost is offset because early consultation has the potential for workers to return to work sooner.

A total of 228 injured workers were referred to the Leonard Miller Centre's multidisciplinary assessment program for diagnosis and counselling in 1990. In response to workers' requests, this program changed from a residential program requiring a two-week stay at the Centre to a two-week outpatient program. Many of the workers who went through this program were then set on a new path to recovery or re-entry into the workforce.

A Chronic Pain Clinic for Workers' Compensation Commission clients opened at the Leonard Miller Centre in September. Injured workers referred to this clinic learn to cope with their pain and become more functional. The clinic's program is five weeks in duration. It is expected that 50 workers will take part in this program annually with 13 people having availed of the service up to December, 1990.

Occupational Therapists at the Miller Centre demonstrate an Electronic Work Sample, which tests an injured worker's electronic aptitude

REHABILITATION

When workers reach maximum medical recovery, they are expected to return to work. If their injuries are such that they can no longer perform the functions of their pre-injury job, Rehabilitation counsellors help workers make alternate career plans. There is a range of programs designed to help the worker get back to work including assessments, counselling, on-the-job training, job search courses, educational upgrading and retraining.

Rehabilitation payments were $8.4 million in 1990 which is up 42% from 1989. One of the reasons for the increased cost is the increased demand for vocational rehabilitation. Rehabilitation staff dealt with approximately 1,995 injured workers in 1990 compared with 1,500 injured workers in 1989. In addition injured workers took part in more programs – 2,095 in 1990 compared with 1,562 in 1989.

Getting workers back to work as soon as they are able is important. Statistics show the longer a person is off work, the less likely the person is to return to meaningful employment.

With this in mind the Department introduced the Ease-Back program in 1989.

Counsellor Dale Kavanagh visits with one of her clients, a Holyrood Town Council employee at his work site - the Holyrood Marina.

Through this program the Commission finances an early return to work by injured workers who are able to do some of their job functions but still need a re-adjustment time before assuming full job functions. The Department spent $1.5 million encouraging more than a quarter of its clients to ease back to work in 1990.

Injured workers who can no longer work or earn their pre-injury wages, may be considered for Extended Earnings Loss benefits. A total of 529 injured workers were in receipt of Extended Earnings Loss benefits in 1990, of which 301 of those were approved during 1990.

Counsellor Anna Tapper discusses Rehabilitation options with a client.

INFORMATION SYSTEMS

The Information Systems Department is responsible for assessing and co-ordinating all the computer needs of the Workers Compensation Commission. Work includes systems development and maintenance, word processing, desk-top publishing, hardware/software acquisition and support as well as any other computer needs that are identified by user Departments.

In 1990 Information Systems staff completed the first phase of a Medical Aid and Compensation Payment System, reviewed and implemented a Project Scheduling system and developed a Program Request System. In addition, the Department played an important contributory role in providing data for the development of a Financial Strategy for the Commission.

A full-time desk-top publishing position was created at the Commission in 1990. The Commission now designs and prepares documents such as brochures, forms, newsletters and the Annual Report in-house, saving thousands of dollars annually in type-setting charges.

A total of 400 program requests were handled by Information Systems in 1990 and 39 desk-top publishing requests. To meet the growing computer needs of the Commission a new IBM AS/400 computer was installed in April of 1990. This computer will meet the information processing needs of the Commission for a number of years and ensure appropriate response time to users. Currently 70% of Commission staff are using computers.

Rick Woodman uses a hand held computer device to design a document on the Commission's desk top publishing system.

ADMINISTRATION/PERSONNEL

The Administration Department is responsible for procurement, maintaining the physical infrastructure of the Commission and providing operational support to staff. Departmental staff regularly handle contracts for the supply of goods and services. In 1990 the largest contract they dealt with was the building renovations at Head Office.

In 1990 the Commission approved the installation of toll-free telephone numbers for the St. John's, Grand Falls and Corner Brook offices. Toll-free numbers will make the Workers' Compensation Commission more accessible to people living all over the Province.

The Commission identified the need for improved client relations as a priority in 1990. In response to this need the Personnel Department commissioned a three-part Customer Excellence training program. Every

Brian Adams, Betty Campbell and Maureen Hickey convert paper files to microfiche at the Commission

Workers' Compensation Commission employee attended the first phase of the program in 1990. Together they identified strengths and weaknesses at the Commission and proposed recommendations to correct weaknesses. The recommendations advanced will be analyzed and developed into an Action Plan for presentation to the Executive throughout 1991.

There are currently 156 permanent staff employed at the Commission with seven of those working in Grand Falls, seven in Corner Brook and the rest in St. John's.

Once again the employee turn over rate at the Commission was low in 1990. Eight employees resigned, six retired and 11 new positions were created during the year.

A group of WCC employees participate in Phase 1 of the Customer Excellence program

INTERNAL REVIEW/APPEALS

The Workers' Compensation Commission makes numerous decisions. Every day Adjudicators and Counsellors decide who is eligible for assistance and how much assistance they are entitled to. The Financial Services Department decides which classification or rate group an employer should be in and determines the assessment premiums that are payable. The Commission and its staff are held accountable for those decisions through the Internal Review Process.

A worker or employer who is dissatisfied with the decision made about a claim or classification may appeal it at three different levels. The first level of appeal is within the Department. Any disputed decisions are extensively reviewed by the Departmental Director or a designate. There were 395 decisions reviewed at this level in 1990 and 74.6 % of those were upheld, reaffirming the initial decision.

If the worker or employer is still dissatisfied with the outcome, the matter may be brought to the Hearings Officer who meets with the dissatisfied parties and then issues a written decision. In 1990 the Hearings Officer heard 149 cases and upheld 52% of the original decisions.

If the person who receives a final Commission decision still isn't satisfied, the decision can be appealed to the Workers' Compensation Appeal Tribunal (WCAT) which is appointed by government and independent of the Commission. In 1990, there were 40 WCAT decisions communicated to the Commission of which 73% overturned or modified the Commission's final decisions.

Hearings Officer Mike Rose meets with a Claimant and an Employer representative to review a case.

FINANCIAL SERVICES

The Workers' Compensation Commission is funded completely by employers. Employers' assessments totalled $79 million in 1990. The assessments collected were deposited into the Injury Fund and used to meet workers' compensation expenses.

The Financial Services Department is responsible for making short-term investments for the Injury Fund. Funds to meet the long-term claims commitments are invested and managed by external fund managers. The combined yield on all investments was 11.63%.

The Commission's Financial Services Department classifies each employer in the Province into a rate group according to its risk of injury and past experience. Every year the Board of Directors sets the assessment rates for these rate groups and the Financial Services Department determines their assessment premiums. Employers are obliged to pay the set assessment rate which is calculated per $100 of payroll.

In 1990 there were 12,100 employers registered in the Province and they paid an average assessment rate of $2.43. This compares with 11,700 employers in 1989 and an average assessment of $2.26.

Results of Operations

BALANCE SHEET

In 1990 the growth in liabilities exceeded the growth in assets by $77.9 million, causing the Commission's funding position to decline to 51.4% from 75.8% in 1989.

The significant growth in liabilities was caused primarily by a change in accounting policy which now includes in the liability for outstanding claims the cost of future indexing of claims ($50.9 million) that have occurred up to December 31, 1990. Previously, liabilities for outstanding claims did not include any amount for future indexing.

The remaining growth in liabilities can be attributed to adjustments to liabilities resulting from a recent actuarial review which used claims experience to December 31, 1990.

Accounting Assistant Mary Lynn Purcell makes an investment over the phone.

The Commission is dealing with the deterioration in the funding position as part of the financial strategy exercise initiated in 1990. The results of this effort will be made available early in 1991.

Revenue and Expenditure Statement

Revenue increased in 1990 by $14.8 million, of which $12.0 million was attributable to increased assessments. However, despite this increase expenditures exceeded revenue by $29.9 million. This excess was attributable to an independent actuarial review of recent claims experience which revealed that liabilities for prior years' accidents are higher that originally anticipated. Accordingly, liabilities for prior years' accidents have been adjusted by $29.3 million and expensed against 1990 income.

Accumulated Deficit Statement

A $48.0 million adjustment for future indexing of claims that occurred prior to 1990 had the effect of increasing the accumulated deficit at the beginning of the year from $51.7 million to $99.7 million. With the excess of expenditures over revenue of $29.9 million recorded in 1990, the accumulated deficit has grown to $128.9 million at the end of 1990.

Claims Expenditures and Cash Payments

Expenditures for current year's claims and cash payments for current and prior years' claims, by program, are shown on the following page. 1989 figures are included for comparative purposes.

EXPENDITURES BY PROGRAM FOR CURRENT YEAR'S CLAIMS ($ THOUSANDS)

Program	1990	1989	% Increase/ (Decrease)
Temporary Earnings Loss	$33,984	$28,231	20.4%
Medical Aid	14,203	11,840	20.0%
Rehabilitation	5,753	6,655	(13.6%)
Extended Earnings Loss	6,819	5,011	36.1%
Annuity	700	0	100.0%
Lump Sums and Permanent Functional Impairment Awards	2,614	1,652	58.2%
Dependency Benefits and Payments to Permanently Disabled Workers	3,443	1,102	212.4%
	$67,516	$54,491	23.9%

CASH PAYMENTS FOR CURRENT AND PRIOR YEARS' CLAIMS ($ THOUSANDS)

Program	1990	1989	% Increase/ (Decrease)
Temporary Earnings Loss	$35,063	$26,948	30.1%
Medical Aid	13,346	12,954	3.0%
Rehabilitation	8,416	5,897	42.7%
Extended Earnings Loss	3,826	2,717	40.8%
Annuity	8	23	(65.2%)
Lump Sums and Permanent Functional Impairment Awards	3,414	3,208	6.4%
Dependency Benefits and Payments to Permanently Disabled Workers	9,858	9,519	3.6%
	$73,931	$61,266	20.7%

	Auditors' Report
Statement 1	Balance Sheet
Statement 2	Revenue and Expenditure
Statement 3	Accumulated Deficit
Statement 4	Liability for Outstanding Claims
Statement 5	Reserve Funds
Statement 6	Changes in Financial Position
Statement 7	Notes to Financial Statements
Schedule 1	Administrative Expenses

AUDITORS' REPORT

To the Board of Directors of
The Workers' Compensation Commission
of Newfoundland and Labrador

We have audited the balance sheet of The Workers' Compensation Commission of Newfoundland and Labrador as at December 31, 1990, and the statements of revenue and expenditure, accumulated deficit, liability for outstanding claims, reserve funds and changes in financial position for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, except for the effect of changes, if any, in the liability for outstanding claims as referred to in Note 8, these financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 1990, and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Doane Raymond

St. John's, Newfoundland
March 1, 1991

Chartered Accountants

Balance Sheet

December 31, 1990

(Statement 1)

	1990	1989
ASSETS		
Cash and short-term investments	$ 15,968,145	$ 15,272,775
Receivables (Note 3)	11,711,339	9,858,754
Investments, at book value (Note 4)	85,699,616	78,940,479
Land, building, furniture and equipment (Note 5)	5,848,037	4,947,272
	$119,227,137	$109,019,280
LIABILITIES, RESERVES AND ACCUMULATED DEFICIT		
Payables and accruals	$ 2,437,091	$ 1,952,439
Liability for outstanding claims (Statement 4, Note 1)		
Basic benefits	178,613,444	141,939,091
Future indexing	50,936,000	
	231,986,535	143,891,530
Reserve funds (Statement 5)	16,141,420	16,877,403
Accumulated deficit	(128,900,818)	(51,749,653)
Unfunded liability	(112,759,398)	(34,872,250)
	$ 119,227,137	$ 109,019,280

On Behalf of the Commission

Chairperson

Chief Executive Officer

Commentary

The balance sheet gives the Commission's financial position at December 31, 1990. Assets refer to resources and property owned by the Commission or owed to the Commission by others. They include cash and investments, land, building and equipment plus various accounts receivable.

Liabilities include accounts payable and actuarial estimates of amounts to be paid in future years for 1990 and prior years' injuries. As disclosed in Note 1 to the Financial Statements, the liability for outstanding claims up to 1990 includes an amount of $50,936,000 for indexing basic benefits.

The reserve funds are amounts appropriated to fund the cost of specific expenditures and the accumulated deficit is the accumulated excess of expenditure over revenue. Unfunded liability refers to the amount by which total liabilities exceed total assets.

Revenue and Expenditure

Year Ended December 31, 1990

(Statement 2)

	1990	1989
Revenue		
Assessments	$79,004,407	$67,048,279
Self-insurers	5,125,870	3,256,327
Investment income	10,177,107	9,159,623
	94,307,384	79,464,229
Expenditure		
Current year's costs		
Current year's claims		
Payments and awards	20,995,998	18,009,318
Estimated future payments and awards		
Basic benefits	38,430,609	33,224,975
Future indexing	2,963,560	
Self-insurers	5,125,870	3,256,327
	67,516,037	54,490,620
Administrative		
Workers' Compensation Commission	7,670,336	7,237,520
Occupational Health and Safety	2,487,032	2,266,260
Appeals Tribunal	416,595	279,475
	10,573,963	9,783,255
	16,217,384	15,190,354
Prior years' costs		
Prior years' claims		
Future payments and awards -		
Adjustment to actuarial estimates (Note 6)	29,345,693	32,231,656
Interest income required	15,987,647	5,719,438
Benefits charged to reserve funds	798,752	1,398,369
	46,132,092	39,349,463
Excess of expenditure over revenue	$(29,914,708)	$(24,159,109)

Commentary

The Commission's statements are prepared on our accrual basis. Thus, the Commission includes in the current year statement of revenue and expenditures an estimate of future costs for injuries that have already occurred.

The statement of revenue and expenditure summarizes the Commission's operating activity for the year. Income consists of assessment revenue from employers, self-insurers and interest earned on both short and long-term investments.

Expenditure for current year claims represents actual cost incurred in 1990, plus an estimate of what is expected to be incurred in the future for these claims including an allowance for indexing basic benefits in line with increases in the Industrial Aggregate Wage Index.

Administrative and other expenses include overhead cost of operating the Commission, payments to Occupational Health and Safety and the Workers' Compensation Appeals Tribunal.

Prior years' claims include actuarial adjustments to previous estimates of liabilities for prior years' claims, interest required to fund liabilities and charges to reserve funds.

Accumulated Deficit

Year Ended December 31, 1990

(Statement 3)

	1990	1989
Accumulated deficit, beginning of year As previously reported	$ (51,749,653)	$ (25,864,319)
Adjustment for future indexing of prior years' claims (Note 1)	(47,972,440)	
As restated	(99,722,093)	(25,864,319)
Excess of expenditure over revenue	(29,914,708)	(24,159,109)
	(129,636,801)	(50,023,428)
Net appropriations from (to) reserve funds	735,983	(1,726,225)
Accumulated deficit, end of year	$ (128,900,818)	$ (51,749,653)

Commentary

The accumulated deficit, beginning of the year, is the accumulated excess of expenditure over revenue recorded in prior years.

The adjustment for future indexing of prior years' claims represents an adjustment to the accumulated deficit at the beginning of the year for a change in accounting policy as explained in Note 1 to the financial statements.

Excess of expenditure over revenue is the difference between current year's revenue and expenditures for current and prior years' claims (statement 2) which is added to the accumulated deficit, as restated.

Net appropriations from (to) reserve funds show the amount set aside in the current year to fund reserves for specific purposes (statement 5).

The accumulated deficit, end of year, is the accumulated excess of expenditures over revenue for all years to the end of 1990.

Liability For Outstanding Claims

Year Ended December 31, 1990

(Statement 4)

	Estimated Liability For Future Costs of Existing Claims	Liability For Dependency Benefits and Payments to Permanently Disabled Workers	Liability For Extended Earnings Loss	Liability For Annuity Payments	Total
Balance, beginning of year	$77,204,502	$48,423,585	$14,433,788	$1,877,216	$141,939,091
Additions:					
Estimated future payments and awards	71,001,724				71,001,724
Established awards		34,448,062	33,911,005	560,688	68,919,755
Investment income required	7,272,000	5,716,000	2,698,000	301,647	15,987,647
	78,273,724	40,164,062	36,609,005	862,335	155,909,126
Deductions:					
Benefits paid or charged with respect to claims	(56,739,670)	(8,890,647)	(2,660,793)	(7,663)	(68,298,773)
Balance, end of year	$98,738,556	$79,697,000	$48,382,000	$2,731,888	$229,549,444
Composition:					
Basic benefits	$91,118,556	$ 55,642,000	$ 29,121,000	$ 2,731,888	$178,613,444
Future indexing	7,620,000	24,055,000	19,261,000		50,936,000
	$ 98,738,556	$ 79,697,000	$ 48,382,000	$ 2,731,888	$229,549,444

Commentary

The estimated liability for future costs of existing claims is the actuarial estimated amount required to meet future payments in respect of 1990 and prior years' injuries for temporary earnings loss, medical aid, rehabilitation, extended earnings loss, permanent functional impairment awards and dependency benefits.

The liability for dependency benefits and payments to permanently disabled workers is the amount set aside to provide for future payments on established awards to dependents and permanently disabled workers.

The liability for extended earnings loss is the amount set aside to provide for future payments to age 65 on established extended earnings loss awards.

The liability for annuity payments is the amount set aside to provide for established annuities to workers at age 65.

The composition of the total liabilities (balance, end of year) is a breakdown between basic benefits and the future cost of indexing those benefits.

Reserve Funds

Year Ended December 31, 1990

(Statement 5)

	Disaster Reserve	Enhanced Disabilities Reserve	Recapitalization Reserve	Occupational Health & Safety Reserve	Total
Balance, beginning of year	$10,000,000	$912,457	$1,392,309	$4,572,637	$16,877,403
Additions:					
Appropriations	271,129	782,132		427,363	1,480,624
Deductions:					
Benefits paid or charged with respect to claims	(271,129)	(553,169)	(1,392,309)		(2,216,607)
Net appropriations		228,963	(1,392,309)	427,363	(735,983)
Balance, end of year	$10,000,000	$1,141,420	$ Nil	$5,000,000	$16,141,420

Commentary

The statement of reserve funds shows amounts for the various reserves that have been established for specific purposes. The closing balance represents the funds available from these reserves.

The Disaster Reserve is limited to a maximum of $10.0 million and the Occupational Health and Safety Reserve is limited to $5.0 million. There is no overall maximum limit on the amount of the Enhanced Disabilities reserve. The Recapitalization Reserve has been discontinued because of a change in accounting policy which now recognizes the cost of future indexing on all outstanding claims. In the past, a Recapitalization Reserve was set aside to cover the cost of one year's statutory increase in survivor benefits.

Changes in Financial Position

Year Ended December 31, 1990

(Statement 6)

	1990	1989
Cash provided from (used for)		
Operating activities (Note 7)	$ 9,303,574	$ 8,445,566
Investing activities		
Proceeds from sale and maturity of investments	93,750,323	83,250,045
Purchase of		
Investments	(100,951,570)	(89,788,219)
Building additions	(803,493)	(51,822)
Furniture and equipment	(603,464)	(476,891)
	(8,608,204)	(7,066,887)
Net cash provided	695,370	1,378,679
Cash and short-term investments, beginning of year	15,272,775	13,894,096
Cash and short-term investments, end of year	$ 15,968,145	$ 15,272,775

Notes to Financial Statements

December 31, 1990

(Statement 7)

1. Change in accounting policy for the liability for outstanding claims

Effective January 1, 1990, based on the reports of its Actuary, the Commission adopted the accounting policy of future indexing the liability for outstanding claims. The effect of this change in accounting policy is to increase the liability for outstanding claims at December 31, 1990 by $50,936,000. Of this amount, $2,963,560 has been charged to current years' claims and the balance of $47,972,440 has been recorded as an adjustment to the accumulated deficit at the beginning of 1990, without restatement of the financial statements of prior years. Prior to 1990, the Commission had a recapitalization reserve sufficient to cover the cost of the subsequent year's statutory increase in survivor benefits.

2. Accounting policies

Assessment revenue

i) At the beginning of each year, an assessment is levied on employers by applying industry assessment rates to their estimated payrolls. At year end, this assessment revenue is adjusted based on the average difference of actual to estimated payrolls for the three years prior to the current year.

ii) Uncollectible assessment balances are charged against assessment revenue.

Investments

i) A gain or loss on the sale or exchange of investments is deferred and amortized to investment income over ten years. In cases where it is felt that a permanent impairment in the book value has occurred, the investment is written down to current market value and the write-down amortized to investment income over ten years.

ii) Investment income is allocated to the liability for outstanding claims on the basis of 8.16% (1989-9.5%) and allocated to the liability for annuity payments on the basis of the actual yield of 11.6% (1989 - 13.6%) earned on the Commission's investment portfolio.

Depreciation

Depreciation of fixed assets is recorded on the straight-line method at the rates indicated below.

Building	2 1/2%
Furniture and equipment	10%; 20%

Pension costs

All permanent employees of the Commission are covered by the Public Service Superannuation Plan administered by the Province of Newfoundland. Contributions to the plan are required from both the employees and the Commission. The annual contributions for pensions are recognized in the accounts on a current basis.

Notes to Financial Statements

December 31, 1990

(Statement 7)

2. Accounting policies (cont'd.)

Estimated liability for future costs of existing claims

This liability represents the estimated amount required to meet future payments and awards in respect of 1990 and prior years' injuries. The estimated liability is an estimate of future temporary earnings loss payments, medical aid payments, rehabilitation payments, permanent functional impairment awards, extended earnings loss awards, and awards to dependents and permanently disabled workers.

The estimated liability has been calculated using actuarial factors based on benefit program experience. The latest actuarial report was prepared on the basis of information available to December 31, 1990 and is to be reviewed every two years.

Liability for dependency benefits and payments to permanently disabled workers

The purpose of this liability is to set aside amounts to provide for the future payments on established awards to dependents and permanently disabled workers.

The capitalization of the awards and the resulting calculation of the liability is determined on an actuarial basis. The latest actuarial report was prepared on the basis of information available to December 31, 1990 and is to be reviewed every two years.

Liability for extended earnings loss

The purpose of this liability is to set aside amounts to provide for future payments on established extended earnings loss awards.

The capitalization of the awards and the resulting calculation of the liability is determined on an actuarial basis. The latest actuarial report was prepared on the basis of information available to December 31, 1990 and is to be reviewed every two years.

Liability for annuity payments

This liability represents the amount set aside to provide for established annuities to workers at age 65.

Notes to Financial Statements

December 31, 1990

(Statement 7)

2. Accounting policies (cont'd.)

Appropriation to reserve funds

i) Appropriation reserves for disaster and enhanced disabilities are calculated as a percentage of annual assessment revenue as follows:

Disaster	5%
Enhanced disabilities	1%

The disaster reserve is limited to a maximum of ten million dollars.

ii) An amendment to the Regulations of the Occupational Health and Safety Act in 1986 provides for the funding, by the Commission, of special projects and studies relating to the enhancement of occupational health and safety in the work place.

Under the terms of the Regulations, the Commission is required to set aside a reserve to a maximum of five million dollars. Special projects to be charged to this reserve must receive prior approval of the Lieutenant-Governor in Council.

An adjustment of $427,363 was made in 1990 to increase the reserve to the amount required under these Regulations.

3. Receivables

	1990	1989
Assessments (net of provision for doubtful accounts $3,261,081; 1989 - $3,026,619)	$4,224,433	$3,879,852
Provision for unbilled assessments	5,541,813	4,065,422
Interest	1,791,083	1,561,088
Self-insurers	154,010	336,241
Other		16,151
	$11,711,339	$ 9,858,754

4. Investments, at book value

	1990	1989
Bonds and debentures	$61,882,111	$57,422,456
Equities	20,322,122	19,601,173
Unamortized portion of losses on sale or exchange of investments	3,495,383	1,916,850
	$85,699,616	$78,940,479
Market value		
Bonds and debentures	$62,340,159	$56,970,911
Equities	17,893,725	20,229,787
	$80,233,884	$77,200,698

Notes to Financial Statements

December 31, 1990

(Statement 7)

5. Land, building, furniture and equipment

	1990			1989
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 10,830		$ 10,830	$ 10,830
Building	6,241,004	$1,414,433	4,826,571	4,179,065
Furniture and equipment	3,423,496	2,412,860	1,010,636	757,377
	$9,675,330	$3,827,293	$5,848,037	$4,947,272

6. Future payments and awards - Adjustment to actuarial estimates

A recent actuarial review was performed for the purpose of updating the estimated costs of future payments and awards for injuries that have been reported up to December 31, 1990. Based on the current claims experience, $29,345,693 that is related to prior years' claims has been recorded in expenditure in 1990.

7. Cash from operating activities

	1990	1989
Cash provided from (used for)		
Excess of expenditure over revenue	$(29,914,708)	$(24,159,109)
Depreciation	506,192	436,445
Amortization of losses on investments	442,109	240,045
	(28,966,407)	(23,482,619)
Adjustment to accumulated deficit (Note 1)	(47,972,440)	
Changes in		
Receivables	(1,852,585)	(1,263,458)
Payables and accruals	484,653	646,545
Liability for outstanding claims	87,610,353	32,545,098
	$ 9,303,574	$ 8,445,566

Notes to Financial Statements

December 31, 1990

(Statement 7)

8. Other matter

Amendments to the Workers' Compensation Act and Regulations effective January 1, 1984 have resulted in significant changes in the nature and amount of payments to injured workers. Experience of benefit programs was reviewed by the Commission's actuary in 1990 and the effect of such experience to date is reflected in these financial statements. However, sufficient experience is not yet available to estimate the full effect of legislated changes on the liability for outstanding claims.

9. Comparative figures

Certain of the 1989 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1990.

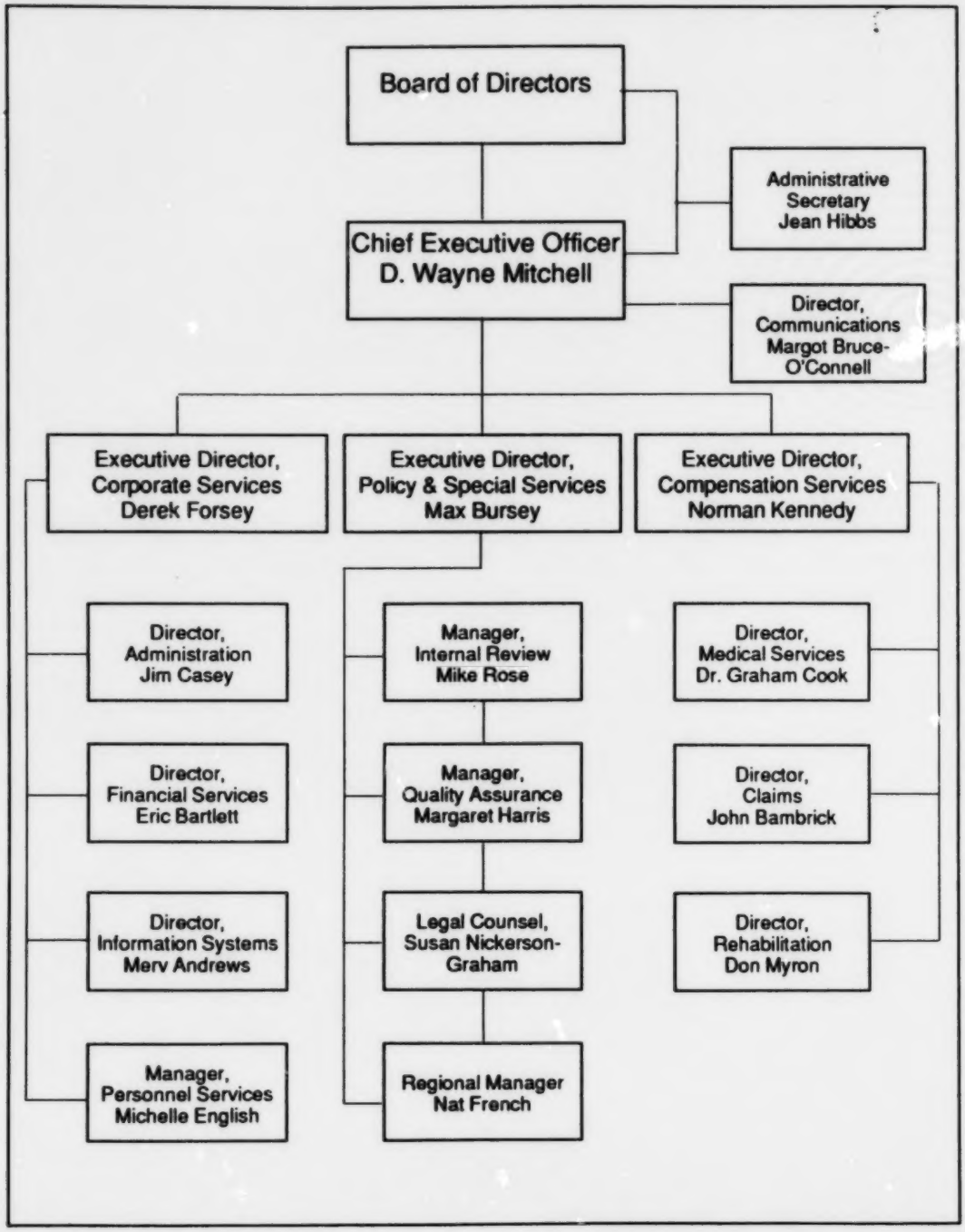
Administrative Expenses

Year Ended December 31, 1990

(Schedule 1)

	1990	1989
Salaries and benefits	$6,081,456	$5,925,913
Telephone, postage and general office	771,706	653,292
Depreciation	506,192	436,445
Professional services	378,654	241,260
Building operations and maintenance	352,825	343,860
Travel	198,943	194,223
Computer services	150,730	111,618
Printing and supplies	131,251	130,892
Vehicle operating	104,035	116,286
Directors' fees	82,851	22,850
Miscellaneous	47,434	47,452
	8,806,077	8,224,091
Deduct:		
Rental income	(284,634)	(301,632)
	8,521,443	7,922,459
Administrative expenses charged to Self-insurers as follows:		
Government of Newfoundland and Labrador	438,921	354,562
Government of Canada	218,839	159,305
Terra Transport (CNR)	84,081	64,504
Marine Atlantic	50,353	61,723
Memorial University of Newfoundland	29,996	21,479
Newfoundland Dockyard	26,262	23,366
Quebec North Shore and Labrador Railway	2,655	
	851,107	684,939
	$7,670,336	$7,237,520

ORGANIZATION CHART


Board of Directors
Administrative Secretary Jean Hibbs
Chief Executive Officer D. Wayne Mitchell
Director, Communications Margot Bruce-O'Connell
Executive Director, Corporate Services Derek Forsey
Executive Director, Policy & Special Services Max Bursey
Executive Director, Compensation Services Norman Kennedy
Director, Administration Jim Casey
Manager, Internal Review Mike Rose
Director, Medical Services Dr. Graham Cook
Director, Financial Services Eric Bartlett
Manager, Quality Assurance Margaret Harris
Director, Claims John Bambrick
Director, Information Systems Merv Andrews
Legal Counsel, Susan Nickerson-Graham
Director, Rehabilitation Don Myron
Manager, Personnel Services Michelle English
Regional Manager Nat French

INJURY BY BODY PART

Temporary Earning's Loss Claims
By Body Part in 1990

	Number of Claims	Percent of Claims
Head	80	.8%
Eyes	470	4.5%
Face/Ears	60	.6%
Neck	268	2.5%
Shoulders	670	6.4%
Upper Arm	178	1.7%
Chest	325	3.1%
Elbow	162	1.5%
Forearm	255	2.4%
Back/Spine	3221	30.9%
Pelvic Area	151	1.5%
Hands/Fingers	2202	21.2%
Thigh	148	1.4%
Knee	483	4.7%
Lower Leg	145	1.4%
Foot/Toes	864	8.3%

Circulatory	-	-
Gastrointestinal	1	-
Genitourinary	-	-
Miscellaneous	3	-
Multiple Injuries	544	5.2%
Nervous System	3	-
Other Systems	24	.2%
Respiratory	17	.2%
Trunk	130	1.2%

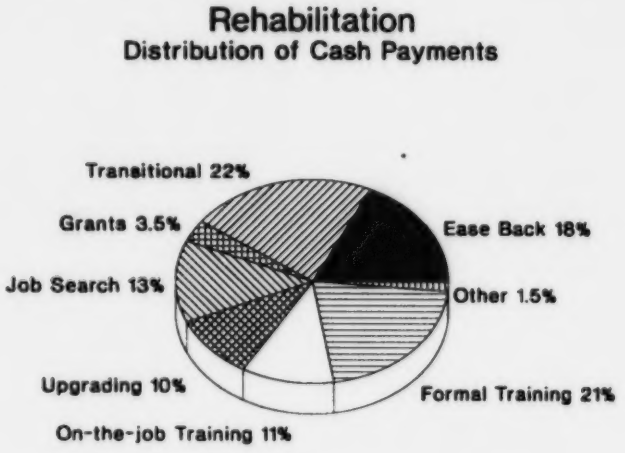
CLAIMS BREAKDOWN

Temporary Earning's Loss Claims - 1990
By Class and Nature of Injury

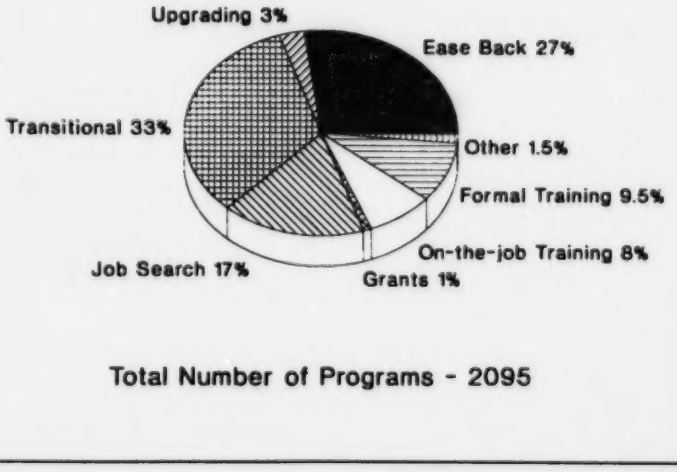
Nature of Injury	Mining Class 1	Forest Products Class 2	Manufacturing Class 3	Construction Class 4	Transportation Class 5	Sales Service Class 6	Fishing Class 7	Reserves Class 8	Self Insurers Class 9	Totals
Abrasions	11	13	58	60	9	150	62	0	58	421
Amputation	0	1	2	1	3	4	9	0	2	22
Asphyxia	0	0	0	0	0	1	0	0	1	2
Burns	9	7	28	14	2	152	17	0	21	250
Concussions	0	0	0	0	0	11	2	0	0	13
Contact with Electrical	1	1	4	3	0	3	1	0	1	14
Contagious & Infectious	0	0	4	0	0	20	0	0	0	24
Contusions	41	40	123	126	49	459	253	2	148	1241
Dislocation	2	1	2	6	1	9	2	0	1	24
Fracture	13	19	31	88	27	136	55	0	55	424
Freezing & Frostbite	0	1	0	0	0	0	1	0	0	2
Hernia	1	1	4	5	1	13	2	0	1	28
Irritation Joints/Muscles	0	1	8	13	0	39	21	0	9	91
Miscellaneous	2	6	1	17	3	66	9	0	18	122
Multiple Injuries	3	2	4	9	6	10	2	0	8	44
Non Personal Damage	1	0	1	2	1	4	5	0	1	15
Open Wounds	20	65	106	95	19	435	455	0	72	1267
Poisoning Inhalation	0	0	13	7	0	12	6	0	7	45
Psychological/ Unidentified	0	0	1	0	2	0	0	0	0	3
Skin Inflamation	1	1	4	2	0	28	11	0	0	47
Sprains	161	161	433	464	238	3117	974	2	755	6305
Totals	266	320	827	912	361	4669	1887	4	1158	10404

VOCATIONAL REHABILITATION

Rehabilitation Cash Payments in 1990 was $8.4 million compared to $5.9 million in 1989. The caseload in 1990 was 1,995 compared to 1,500 in 1989.



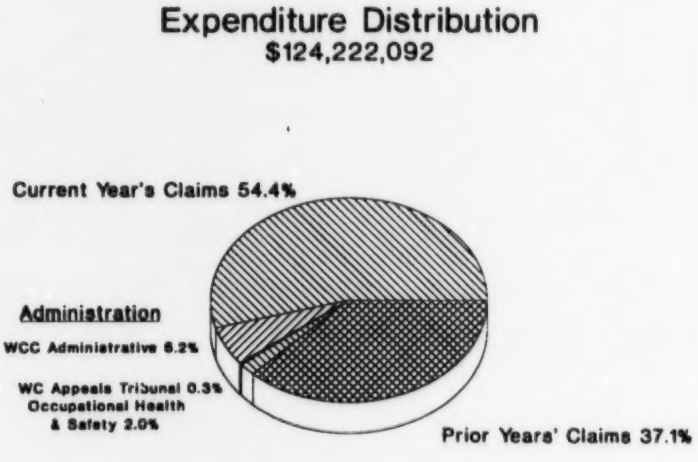
Injured workers took part in 2,095 programs in 1990, compared to 1,562 in 1989.



REVENUE SOURCES

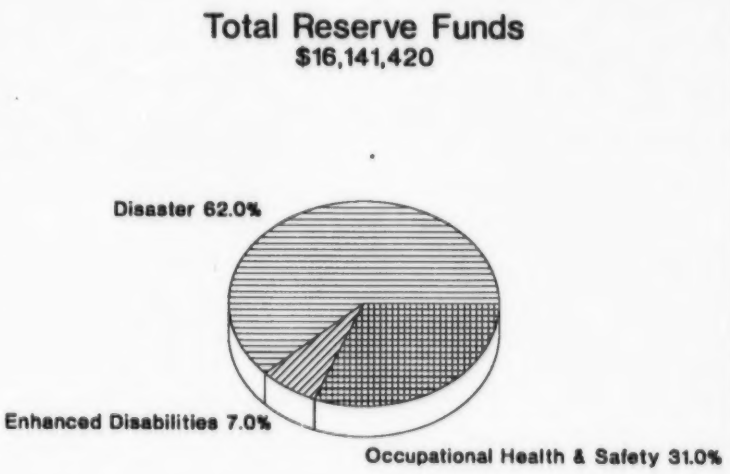
Total Revenues were $94 million in 1990 compared with $79 millon in 1989.

The expenditure distribution for 1990 totalled $124 million compared with $104 million in 1989.



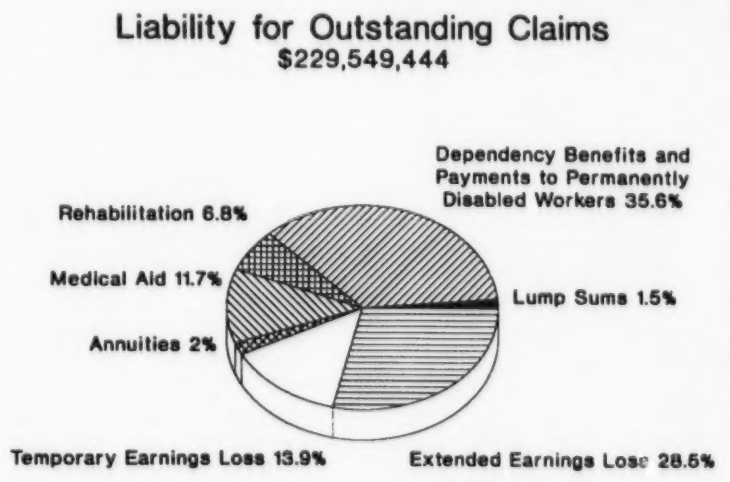
RESERVES

The total Reserve Funds in 1990 were $16,141,420 compared with $16,877,403 in 1989.

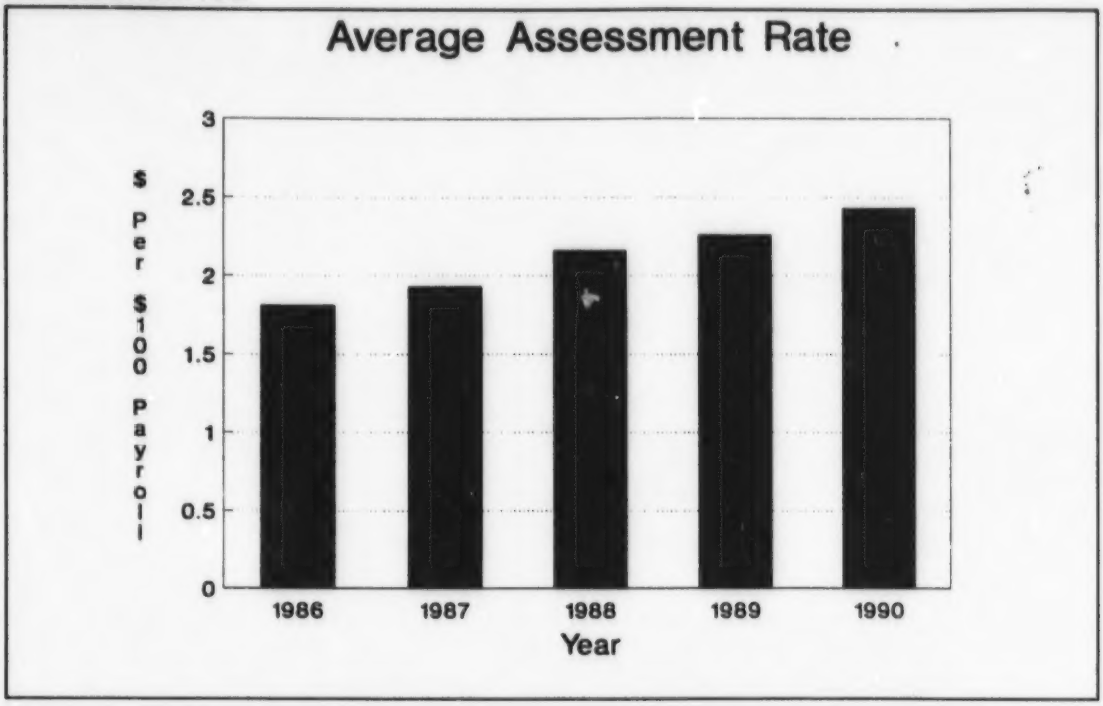


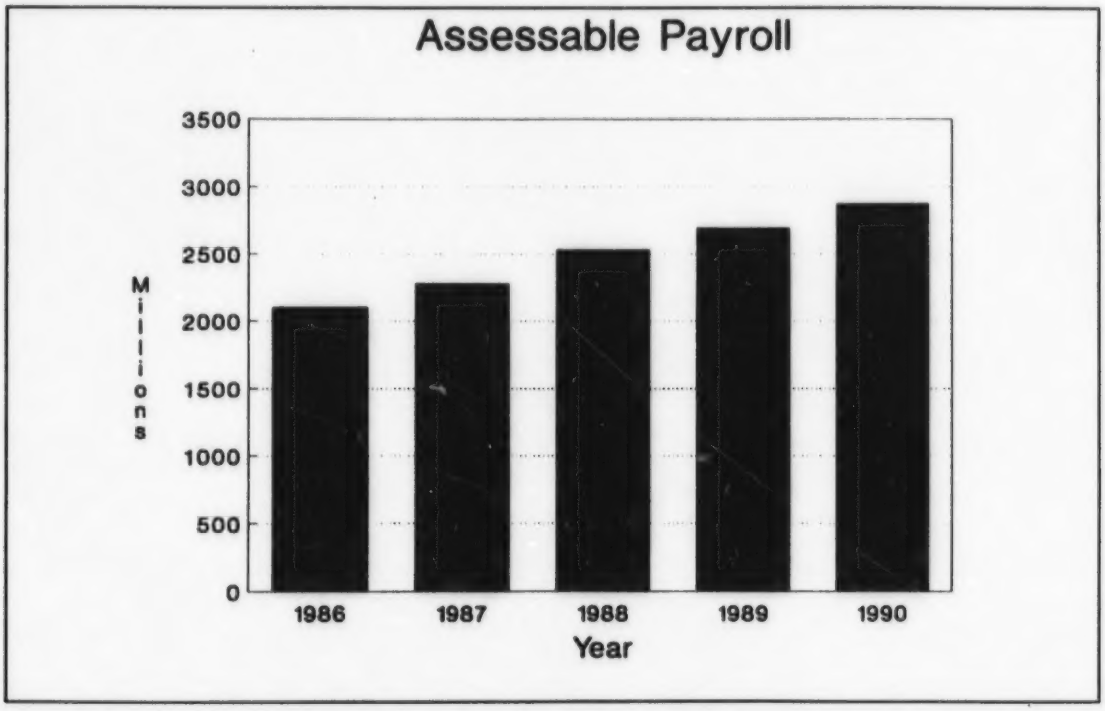
LIABILITY

The liability for outstanding claims in 1990 was $229,549,444 compared with $141,939,091 in 1989.



ASSESSMENTS





NOTE: ASSESSABLE PAYROLLS are based on Employer Estimates as at December 31 of each year. AVERAGE ASSESSMENT RATES are calculated on those estimates.

Compensation System Features

Maximum Compensable Earnings	$45,500
Rate of Compensation	
1983 & Prior Years	75% of Gross
1984 & Subsequent Years	90% of Net
Maximum Weekly Compensation	$596.18
Minimum Weekly Compensation	$200.00 or 100% of net if less than $200
Monthly Personal Care Allowance	$100 - $1250

Medical Aid includes all medical expenses related to the injury such as: hospital costs, drugs, doctors fees, prosthesis, physiotherapy, etc.

How to Reach Us

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P.O. Box 9000
St. John's, Nfld
A1A 3B8

Tel: 709 -778-1000
Fax 709-738-1714
Toll Free:: 1-800-563-9000

REGIONAL OFFICES
Workers' Compensation Commission
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P.O. Box 474
Corner Brook, Nfld
A2H 6E6

Tel: 709 -639-9960
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